



BEYOND IRAQ: THE LESSONS OF A HARD PLACE

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Our “adventure”¹ in Iraq is doing little to enhance the post 9/11 security of the American public. The idea that a Middle East-altering democracy could be militarily introduced into a country as riven and as historically different from the U.S. as Iraq is now understood to have been naïve. As a series of early failures drove wedge after wedge into the fragile Iraqi society,² the policy objective of a “united, stable and democratic Iraq”³ at peace with its neighbors fell victim to shortsighted decisions and poor preparation. The prolonged engagement in Iraq is distracting us from an even greater threat of a stateless insurgency arrayed against the current world order. A mechanism for constraining U.S. prerogatives has been established, and a formula for our defeat is under development.

As illustrated by French knights’ resistance to the British introduction of the longbow in 1346,⁴ or the British befuddlement when confronted by colonial snipers during the American Revolution, advantage accrues to the creative. Innovation can shift the odds of victory. Low-tech approaches can threaten high-tech yet doctrinaire capabilities,⁵ the very deployment of which is delicately balanced on fragile political will and low tolerance for casualties in the U.S. Military superiority relegates conventional force-on-force conflict to the past, and today’s strategic leaders must recognize the vulnerability created by power that shifts our opponents’ targeting to the civil society our military is designed to protect. Eisenhower’s warning has come true.⁶ The juggernaut of our defense bureaucracy and the attendant industrial complex is animated by factors that have become obsolete.

The audit of war in Iraq is guiding us toward correcting strategic deficits and we are beginning to transform military doctrine, training, and tactics.⁷ Moreover, the conflict is exposing broader lessons for our policy toward the Middle East, and more specific lessons for dealing with the insurgent jihadist threat. Solving the equation of national security will require far more than the masterful use of force.

Divergent Histories

As the world shrank, constricted by an ever-tightening web of communications and transportation networks, a global insurgency of some order was almost inevitable. The distillation of global cultural differences was bound to generate heat and friction. Conflict was unavoidable.

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The Western view of war as “politics by other means”⁸ was altered by the devastation of two world wars. Since, we have sought to isolate war as an extraordinary anomaly. Others – particularly Muslim extremists – continue to view war as it once was, as “the continuation of religion,”⁹ and as a standing commandment to the pious for action against nonbelievers. Their investment in the system of states is small, deriving largely from a perceived unfair imposition of Western precepts and an entourage of generally unjust rulers, many of whom were installed and occasionally replaced by capitals far away.¹⁰

The modern states system, which fixed borders as a means to limit conflict, established the ground rules for diplomacy and interaction of peoples, and imbued states with a monopoly on the use of violence, is not universally accepted. From the array of possible opponents who view the system with skepticism, the Muslim jihadists are among the most formidable – not because of their military might, but because of the alien nature and strength of their views, and of their global solubility. At ease with modern transport and communications, they melt into the world milieu only to coalesce at the point of attack. Past successes, from bombings in Africa to downtown Manhattan, Washington, London and Madrid, coupled with the hardening of battle in Iraq, embolden them. Indeed, our efforts in Iraq have served to mix separate forms of insurgency to produce a hybrid that multiplies the threat. We must begin to transform our policies and strategic approach, lest the global insurgency spiral out of control and threaten the existing world order.¹¹

The Margin of Blood

Samuel Huntington wrote of early wars that “[t]he most dramatic and significant contacts between civilizations were when people from one civilization conquered and eliminated or subjugated the people of another. These contacts normally were not only violent but brief.”¹² Today such wanton treatment of a subjugated people is not an option. Beginning with the Peace of Westphalia in 1648, the modern states system grew out of efforts to limit the destructive religious wars of Europe, establishing the right of the sovereign to determine conditions within his or her area of control. Following the Reformation, the Enlightenment rationalized and ultimately limited religion’s role as a means to organize Western political systems, a circumstance fueled by the American experiment with the separation of church and state. The intervening history of the West shows the Westphalian system failed to deliver the peace and stability intended. Indeed, one can marshal a sturdy argument that the system exacerbated conflict in Europe up to and through WWII by concentrating resources and manpower.

Meanwhile, around the globe the dominant Western culture attempted to create, via a series of colonialist, deal-driven cartographic exercises, a world in which many of the resulting borders lacked real legitimacy or “sanctification” of the sort implied by French theologian Pierre Teilhard de Chardin when he noted, “borders are the seams of history, sanctified in blood.”¹³ For the West, borders became hallowed, even as war moved from hot to cold. This Western fetish was imbedded in the Charter of the United Nations as an agreement among members to refrain from use of force against the “territorial integrity” of another state.¹⁴

Following WWII, anti-colonial and nationalist forces gathered strength throughout Africa and Asia. The then-ongoing Cold War added complexity by stirring in ideological elements as the U.S. and Soviet Union engaged in proxy battles to promote and defend respective systems. Yet the conflict did little to threaten the existing international system of states. States and borders remained the building blocks of order. Even as some hoped the end of the Cold War spelled the “end of history,”¹⁵ others were warning of new dangers.¹⁶ Suddenly, the rising challenge of radical Islam was highlighted in the spectacular attack of September 11, 2001, an event that served to expose numerous vulnerabilities in our defenses.¹⁷

The historical give-and-take that fixed borders in the West has not occurred in much of the world. The Arab-Israeli conflict, Kashmir, the Korean peninsula, central Asia, much of Africa, and present-day Iraq, are just a few worrisome areas where boundaries remain unresolved. Neither the carefully constructed international system, the UN, nor the threat of overwhelming, technologically-superior U.S. military force are effective in dealing with these border issues. Modern borders continue to be seen by some as illegitimate barriers, particularly by radical Muslims taking the long view of history.¹⁸

So we find ourselves in a new era with a portion of the world settled into a system of collective security and cooperation between states, set against large, encapsulated pockets of culture and ideology that have little investment in the modern states solution. Portions of the world left behind fail to accept associated rules. They do not recognize that precision bombing has made aerial assault superior to outlawed chemical warfare. Indeed, terrorist use of weapons

of mass destruction is an acute concern among Western powers. For our modern enemies, available technology is a viable option. Whether by converting civilian aircraft into guided missiles or introducing the IEDs to the streets of urban centers throughout the Middle East, the enemy is on the attack – jihad honors no Western rules.

Then there is the paradox of Israel, a state supported by many Western powers which provides an infuriating example of a case in which borders are not so inviolable after all. The Islamic world, with cultural and historic foundations that are partly incompatible with the West's international system, remains trapped somewhere along the continuum of societal development. These incompatibilities, coupled with the perception of Western inconsistencies, exacerbate the conditions for radicalization of Islam. Radicalized groups within the larger community have shown themselves to be both deadly and innovative in bringing war to our doorstep. These groups now target the West, taking aim at the will of the population, nibbling away at public confidence. Defeating such opponents, who approach the world from a different historical perspective, will require thoughtful, innovative strategies.

Afghanistan as Warning

Afghanistan was among the last of the Cold War's proxy battles. The mistakes we made there¹⁹ were driven home in a recent personal conversation. "Some of us warned you this would come back to haunt us," a highly-placed Pakistani official confided in the autumn of 2006. "When you encouraged the clerics in the border region and helped the extremists in their fight against the Soviets in Afghanistan, you shifted power away from the states. Now they are unmanageable."²⁰ By aiding the regional insurgency, the genie of Muslim extremism was let out of the bottle of state control. Compounding the problem, once the Soviets departed, we left Taliban-era Afghanistan alone to fester, to incubate the al Qaida threat that culminated on 9/11. Clearly, we undermine states at our own peril.²¹

There were other options. We could have permitted the Soviet project to continue, in which case we might be dealing with something like Bulgaria in today's post-Cold War Afghanistan. Or we might have engaged in a program of post-Soviet reconstruction that encouraged and empowered moderates. We did nothing, and the seeds we planted by supporting the mujahadeen and the radical clerics who encouraged them grew into the present al Qaida threat.²² In retrospect, we would have been better served to spend more time in the "Citty upon a Hill"²³ and less "in the shadows."²⁴ At the very least, our ability to see the future and to anticipate the downstream effects of meddling needs vast improvement.²⁵

Iraq as Crucible

In Iraq, some suggest it may be necessary to "let civil war rage for a while, but try to contain it."²⁶ Indeed, our best course may be strategic retreat, withdrawing from attempts to engage our radical Muslim foe in conventional military terms. A Cold War-style containment policy could provide an effective alternative to combat operations over the longer term, and would be more palatable to the U.S. public. However, containment risks exacerbating the region's numerous tensions, which range from broader Shia/Sunni conflicts, moderate/extremist divisions, to the Kurdish/Turkish impasse. The West would not be immune to violence flaring along the fault lines within the Islamic world, violence which could grow into an intra-religious conflict similar to the wars of pre-Renaissance Europe. History, in fact, suggests resolution of these conflicts will require a good bit more blood before seams are settled and sanctified.

Future military engagements in Middle Eastern conflicts will continue to erode U.S. influence. Military power is at its strongest when implied but not expended. It is in execution that weakness is observed and acted upon by opponents. While we can adjust military organization, training and equipment, our best strategy will be to keep our military power at our back as we face the challenge of global insurgency. Moreover, by recognizing the broader threat for what it is, we take the first step toward an approach that will allow us to win. Muslim extremist terrorism is not wanton. It has political purpose, is based on warped but attractive religious precepts, and is built around the cause²⁷ of confronting Western oppression and restoring Islamic dignity. It constitutes an insurgency against the global order. To employ the tools we have by attacking states is counterproductive, since an implicit target of the Muslim insurgency is the system of states itself, at least insofar as it can be forcibly altered to permit reestablishment of the caliphate.²⁸ Each failed or defeated state becomes another opportunity for jihadists to gain ground. An assertive and highly visible U.S. provides extremists with an external target against which they easily redirect mounting pressure in the region. Given the enormous tensions in the Middle East, we can best contribute to dissipation of this threat by turning it inward, against itself. Facing survival, moderate states in the region must take the lead.

Key among our own challenges is repair of the erosion of the system of states. Success against the jihadists will derive from our ability to cooperate, expand vigilance and coordinate action. Alliances will be key as we seek to contain an amorphous, stateless threat that plays by its own rules, based in terror and fear. We must insulate the system from the turmoil brewing in the Muslim world, and prepare for a long and bloody rivalry between moderates and fundamentalists, between Sunni and Shia, and between nationalist forces throughout the Middle East. Despite the risks, our own policy should be one of containment and of example. By upholding the liberal democratic principles we hold to be universal and demonstrating success in application of those principles, we can swing support of many Muslim fence sitters unhappy with their prospects. Attempting to do so at the point of a bayonet will fail and merely increase our own vulnerability.

The Economics of Power – the Other History

*Persuasive guessing has been at the core of leadership for so long, for all of human experience so far, that it is wholly unsurprising that most of the leaders of this planet, in spite of all the information that is suddenly ours, want the guessing to go on.*²⁹

Nobel Prize-winning economist Milton Friedman enjoyed telling the success story of Chile.³⁰ After General Augusto Pinochet and a military junta (aided by the CIA) seized power from the democratically-elected socialist Allende, the military attempted to direct the crippled economy.³¹ The results were disastrous. In months, inflation approached 1000%, the economy deteriorated further, and Chileans took to the streets. Realizing the military's inability to accomplish the task, Pinochet turned to the only economists in the country who were not tainted by association with Allende's socialists, the so-called "Chicago Boys" who had trained at the University of Chicago where Friedman taught. Using free market principles, the group stabilized the situation and reoriented economic activities, and Chile's economy has since outperformed that of every other Latin American country. Friedman notes the economic freedoms introduced and the increasing power of individuals deriving from growth and prosperity eventually led to popular demand for political reform in Chile, forcing Pinochet to concede power to elected officials and complete the transformation back to democracy.

Friedman maintained there can be no political power without economic power. History supports his conclusion. No modern, industrial country built its economy under a system of fully representative democracy. In the early days of the U.S., for example, only landed gentry participated in elections; it was not until the 1920's before the female half the population could vote. Adam Smith, the father of modern capitalist economic theory, was unable to vote in Great Britain because he lacked enough property to qualify.³² From the U.S. to Taiwan, populations have succeeded in acquiring political power only after the acquisition of economic power through relatively free markets. There is a most unfortunate amnesia regarding the sequence of economic and political development. The threats we face demand transformation of our strategic approach to accommodate the lessons of history.

Impoverished, poorly educated people do not make good democrats. They are too easily manipulated by the powerful, and the choices they make are seldom in the collective best interest. And, whether in Algeria in 1991 or in the Palestinian territories in 2006, the specter of "one man, one vote, one time" has forced our retreat from democratic outcomes not considered to be in the U.S. interest, and cast doubt on our professed commitment to democracy. That specter is rising once again as we witness Iraq drift toward an Islamist government that may fall far short of our policy objectives. Our priority should be establishment of free market systems, dispersion of wealth and economic stimulation sufficient to grow a powerful populace able to shoulder the responsibilities of democracy. This is not chicken or egg. Friedman wrote, "[v]iewed as a means to the end of political freedom, economic arrangements are important because of their effect on the concentration or dispersion of power. The kind of economic organization that provides economic freedom directly, namely, competitive capitalism, also promotes political freedom because it separates economic power from political power and in this way enables the one to offset the other."³³

Our focus on bringing democracy to post-Saddam Iraq without a commensurate focus on economic reform was a recipe for failure. There were no Chicago Boys managing economic reform for the Coalition, nor are there any present in the Iraqi government. Open borders and free conversion of the Iraqi dinar ensured inflation was held in check and an increase in the price of oil has kept money in the central account, but in all other respects Iraq's post-war economic performance has been dismal.

Counterinsurgency literature informs us the center of gravity in an insurgency is the populace. The key kitchen

table issue everywhere is productive employment. Individuals with prospects to improve their immediate condition are more difficult for insurgents to manipulate. Workers and businessmen have a stake in continuity and stability. Without economic prospects they more readily “contract a taste for change and grow accustomed to see all changes effected by sudden violence.”³⁴ As the Coalition conducted stability operations after the fall of Baghdad, commanders and civilians up and down the line clamored for resources to fund employment schemes,³⁵ a reflection of due recognition of the need to address the key kitchen table issue. To the degree these measures were practical they remained dependent on external funding and central planning and were thus unsustainable. Meanwhile, a holistic mechanism to employ internal resources and generate sustainable economic expansion was ignored.

The 2004 economy of Iraq was relatively simple. Oil accounted for over 95% of all Iraqi government revenues, effectively comprising the entire budget. In round dollars oil revenues for the year were near \$20 billion. This was around half of Iraq’s GDP. Another 35% of GDP derived from government services, i.e., the value of goods and services rendered by government employees (and paid for by oil revenues). This meant only 15% of Iraq’s GDP was generated within something like a private sector, from activities such as agriculture, manufacturing and trade. The concentration of power represented by this level of government presence in Iraq’s economy should be obvious.

Of the \$20 billion in government revenue, around \$8 billion (40% of total) was reintroduced into the economy in the form of energy and food subsidies, at nearly \$5-and-\$3 billion respectively. By subsidizing energy costs, the government kept gasoline prices at around .25 cents per gallon, and (occasionally) provided electricity essentially free of charge. Meanwhile, the UN’s pre-war Oil for Food program was continued – a tainted subsidy that placed a monthly basket of food and household essentials on every kitchen table in Iraq’s roughly 5 million households.³⁶

While other subsidies were present, the distorting effects of just these two most costly ones can hardly be overstated. The wealthy urban dweller with a car and an electric generator for back-up when the power failed consumed far more of the energy subsidy than the rural farmer with no vehicle and no access to the power grid. That farmer found he could not compete with free staples provided by the food subsidy, thus destroying incentives to invest time, energy or capital in agriculture, historically Iraq’s economic mainstay. In the city, low energy costs fueled rising demand for appliances and automobiles, both of which saw exponential increases in the months following the fall of Saddam. Economists would say the lack of price signals or “pushback” generated excess demand unconstrained by the costs of running those appliances or fueling those vehicles. Thus, Coalition attempts to restore the power system on a damaged and inadequate grid while simultaneously chasing spiraling demand, along with efforts to kick start the agricultural sector, were doomed from the outset by massive subsidies. Over time the frustration generated by these distortions proved a boon to insurgents and a growing nightmare for the Coalition.

Plans to fix the problems, i.e., “rationalize the subsidies,” fell victim to the accelerated timetable for transferring sovereignty back to the Iraqi government and to the growing rift between CPA chief Bremer and MNFI commander Sanchez. When approached in early 2004 with a plan to gradually remove the subsidies, General Sanchez refused on the grounds that changes would destabilize the economy and fuel the insurgency. Ambassador Bremer, a diplomat with more experience in wet-finger political estimates than economic theory, yielded.³⁷

Friedman would have held a view opposite from Sanchez. By converting the subsidies, already a cost to the budget, into direct payments to households, the inherent power could have been broadly dispersed throughout Iraqi society. Instead of creating dependencies, households would have been free to make economic choices, paying the costs for goods and services as they saw fit. Full monetization (i.e., conversion to cash versus below-cost energy and food) of these subsidies would have generated helpful monthly stipends of around \$140 to Iraq’s 5 million households – far from enough to make them wealthy, but, at annual per capita income levels of just \$1000, certainly adequate to stimulate economic activity. An “oil dividend” would have shifted power from the government to the street while providing all Iraqis with a unifying interest in maintaining the system delivering the payments.

In fairness to General Sanchez, this scheme would have required an orderly and well-telegraphed increase in energy and food prices to ensure their full costs were recovered, which is the only way to regain the expense to the budget. A sudden, poorly communicated change might have spurred the instability he feared. However, the unsustainable nature of these subsidies, their powerful distorting effects and the concentration of power they reflect, will be addressed in Iraq either through evolution or revolution. Unfortunately, the distribution of oil revenues remains one of the most divisive issues facing the new Iraqi government, further threatening the prospect of a unified country.

Beyond Iraq

In a display of hubris, current U.S. strategy demands we maintain global dominance.³⁸ Around the world many view us through historical prisms that differ greatly from our own, and they judge us by deeds they see as inconsistent with our espoused goals of “freedom, democracy, and human dignity.”³⁹ Against this suspicion, the leadership role promoted by our current National Security Strategy is best gained, not by military force, but by a return to the City on the Hill, a place from which we lead by example while acknowledging our mistakes and seeking alliances to help confront the advance of stateless terror.

In attempting to maintain access and bring stability, we risk doing exactly the opposite if we fall short militarily. The U.S. is now seen as guarantor of “the global commons,”⁴⁰ i.e., sea lanes, regional security alliances, lines of communication and, increasingly, cyberspace. In effect the world pays us for this police work by investing in the U.S. economy and government securities,⁴¹ permitting us to run up trade and budget deficits, while consuming beyond our means. If we fail to accomplish our police work, or if confidence in our ability to do so falters, a resulting shift away from investment in the U.S. could have major economic consequences.⁴² Failure to provide a steady level of global stability can affect our national interests and endanger our way of life. This is but one reason for alarm over our performance in Iraq.

Clausewitz wrote that combat is the cash transaction of war.⁴³ With annual defense spending running higher than the next several countries combined,⁴⁴ the United States is pricing itself out of the conventional warfare market. No potential enemy is willing or able to confront us in force-on-force conflict, leaving unconventional, asymmetrical warfare as the only viable course of action for our opponents.⁴⁵ Opponents are witness to our struggle with the local insurgencies of Iraq and Afghanistan. They will conclude that our response to the global insurgency may be vulnerable as well. We have entered an era of the reverse security dilemma wherein, to protect and defend the interests of the American people, we must alter the upward spiral of spending on high-tech conventional⁴⁶ and nuclear force structure in order to focus on the drudgery of the long war. If U.S. military strength remains narrowly fixed on conventional warfare and neglectful of genuine asymmetrical threats, our strength becomes weakness.

As a necessary condition for success in future conflicts with states, we must be prepared to field adequate numbers of appropriately trained forces to secure the theater. The U.S. Army will have the dominant role in filling this large niche in our national defense. The utility of multi-skilled reserve components in stabilization and reconstruction efforts will be significant, particularly once they are effectively trained in counterinsurgency. Securing broad international support for expeditionary military operations, in the form of unequivocal UN Security Council authorization, is essential. This will legitimize our actions and ensure a broad international team is available to support Phase IV and V efforts.⁴⁷

Our response to 9/11 may have done more to further the interests of our jihadist opponents than our own, in that we have weakened an international system they view as illegitimate and destabilized the Middle East in a manner they now seek to exploit. Afghanistan aside, by attacking Iraq with meager international support, we weakened the fabric of the global order based on a system of states and international consensus. Friends and allies have been uneasy for years regarding the imbalance inherent in America’s comparatively excessive military spending.⁴⁸ With Iraq, we have shown we too are capable of what some see as foolish aggression. A radical adjustment will be required if we are to regain international confidence. Perception of the inability of the United States to deliver global security (and unwilling to be constrained by international opinion and cooperative arrangements) will erode global confidence, contribute to economic and political instability, and encourage non-state insurgents. Within the Middle East region, our natural allies in this fight are strong, moderate states, even if some of those states espouse views that run counter to our own. To restore vitality to the system we must begin to reconcile with proto-democratic Iran and secular Syria.

As the National Security Strategy notes,⁴⁹ many countries accumulating oil revenue suffer weak leadership. The problem is not so much in the transfer of power, through money, to these countries as it is distribution of that power within them. Saddam Hussein maintained a tighter grip on economic power than he did on political power. He did so by concentrating oil wealth in a single account under his control. Such power has a corrupting influence. Essentially, we left Saddam’s economic system intact for a weak and divided government to squabble over. We should not be surprised if the result is unfavorable. When faced with similar opportunities in the future, we should focus on establishment of capitalist, free-market systems that disperse power, and which complement the political and humanitarian goals we also wish to advance. Absent new exercises in preemption and regime change, economic reforms should remain at

the very top of our national agenda in all international relationships, particularly in the Middle East.⁵⁰ Strong and economically vibrant middle classes will do more to support our goals than all the military power we can muster.

Our own history tells us states are most often forged in the crucible of violence. If we wish to see mature states in the Middle East, we must make way for violence there, reserving the exercise of force and subversion to those instances when vital U.S. interests are truly at stake, which, as U.S. tolerance for higher pump prices show, do not necessarily include oil. The U.S. and its allies apparently succeeded in tamping down one of Huntington's fault-line wars⁵¹ in the Balkans, doing so in a manner that some hoped would appease Muslim discontent. Any such gains now lay in the ashes of an Iraq that, much like the Balkans before, appears to be coming apart. This clash of Islam is internal, reflecting a division within a religion. We have seen something like this in our own history. The bloody battle is on, but it is not ours. Our best hope is to contain and shape the conflict in ways that support the modern states system. Despite the fact states maturing in the Middle East diverge from our conceptual framework, we should avoid undermining upstart republics as the system develops. We have accepted a nuclear-armed religious state wrapped around democratic principles in Israel. We may have to accommodate one in Iran.

The way forward is clear enough. Beyond the carrots of assistance and the sticks of sanctions, sound economic policy holds great promise for troubled regions of the world. Eminent economist Mancur Olson described "two conditions required of a market economy that generates economic success."⁵² The first is an environment in which individual rights are well defined and secure; the second is the absence of predation. From a military perspective, these conditions equate to rule of law and a secure, stable social environment. Without them, economic and thus political stability are doomed. Developing states have a natural progression. We can help, but we cannot dictate their economic and political progress – certainly not at the barrel of a gun. Therefore, when involved in conflicts, our primary military responsibility is restoration of security. Inadequate manpower and an inability to deal well with insurgency caused us to fall short in Iraq. Both economic and political developments were stunted as a result, further fueling the insurgency. Promoting the primacy of economic over political development is as crucial to stability in the Middle East today as it was in our own history. In the end, encouraging the growth of strong, vibrant and moderate states in the Middle East is our best hedge against the global jihadist threat.

Endnotes

1. This was the term (in German, "*Abenteuer*") used by then-German Chancellor Gerhardt Schoeder during his successful fall/2002 reelection campaign, in which he publicly broke with the Bush administration over apparent intent to invade Iraq. The break was the most significant dispute between the U.S. and Germany since WWII and is reflective of much of European sentiment regarding the war in Iraq.
2. These failures are widely reported and range from the decision to short staff stabilization and reconstruction (i.e., Phase IV) efforts, to failure to establish unity of command, to an overzealous de-Ba'athification campaign, to ill-considered disbanding of the Iraqi army, to the inability to recognize and respond to the developing insurgencies.
3. 2006 National Security Strategy, opening letter. This phrase has received wide use by administration officials from the period of the run up the Iraq war.
4. Roger Trinquier, *Modern Warfare: A French View of Counterinsurgency*, trans. D. Lee (New York/London, Frederick Praeger 1964) p. 114.
5. See Colonel Thomas X Hammes, USMC *The Sling and the Stone: On War in the 21st Century* (St. Paul, Minnesota, Zenith Press/MBI Publishing Co. 2006) pp. 232-233.
6. From President Eisenhower's departing address, January 17, 1961. "... In the councils of government, we must guard against the acquisition of unwarranted influence ... by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist. We must never let the weight of this combination endanger our liberties or democratic processes ... Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together."
7. See, for example, the new, 2006 joint Army/Marine Counterinsurgency manual, FM 3-24.

8. Carl von Clausewitz *On War*, edited and translated by Michael Howard and Peter Paret (Princeton, New Jersey, Princeton University Press 1976) p. 87.
9. Martin van Crefeld, *The Transformation of War* (New York, The Free Press/Macmillan Inc. 1991) p. 142.
10. See, for example, Robert Cooper *The Breaking of Nations: Order and Chaos in the Twenty-first Century* (New York, Atlantic Monthly Press 2003) pp.55-80. Cooper divides the world into the Post-modern (e.g., Europe), the Modern (U.S.) and Pre-modern (the rest of the world). His description of Pre-modern states is particularly applicable in this argument, pp.16-18.
11. Lest this appear overblown, consider Jim Garrison *America As Empire* (San Francisco, Berret-Koehler Publishers 2004) van Crefeld *The Transformation of War*, and Naom Chomsky's *Hegemony or Survival*, (New York, Metropolitan Books 2003) all pessimistic about the resilience of the existing states system. Huntington (see below) is also pessimistic regarding the outcome of the clash between the West and Islam.
12. Samuel P. Huntington *The Clash of Civilizations: Remaking the New World Order* (New York, Touchstone 1997), p. 50.
13. With regard to the Middle East, this point is fully explored in David Fromkin's *A Peace to End All Peace* (New York, Henry Holt and Company 1989): pp. 563-565 offer a condensed argument.
14. The Charter of the United Nations, Article 2, section 4.
15. Francis Fukuyama, The End of History? *The National Interest* (Summer 1989).
16. Insurgency has long troubled military strategists. Conventional warfare waged against any insurgency is generally unprofitable, an act once described by early counterinsurgency expert Roger Trinquier as like an attempt to kill a fly with a pile driver (Trinquier, p. 4). In 1961, reflecting upon France's failure in Indochina and its impending loss of Algeria, he wrote, "[w]e still persist in studying a type of warfare that no longer exists and that we shall never fight again, while we pay only passing attention to the ... war we are about to lose..." (Trinquier, p. 3). The prescriptions he suggested would horrify most modern readers. In 1964, David Galula concluded his own manual on counterinsurgency warfare by warning, "[w]ith so many successful insurgencies in recent years, the temptation will always be great for a discontented groups, anywhere, to start the operations. They may gamble on the inherent weakness of the counterinsurgent (inherent because of the asymmetry between one camp and the other), they may gamble on support of one side of the world or the other. Above all, they may gamble on the effectiveness of an insurgency-warfare doctrine so easy to grasp, so widely disseminated today that almost anybody can enter the business (David Galula, *Counterinsurgency Warfare: Theory and Practice* (New York/London, Frederick Praeger 1964, p. 143). Looking at insurgency more broadly and writing about low-intensity conflicts (which the Israeli author defined as essentially synonymous with insurgent warfare), in 1991 van Creveld stated that "conventional military organizations of the principal powers are hardly even relevant to the predominant form of contemporary war... as an instrument for extending or defending political interests over most of the globe" (van Crefeld, pp. 20, 27). Fear of mutual nuclear destruction had given rise to low intensity conflict as an alternative, he wrote, which would characterize future war and come to threaten the modern states system itself (van Crefeld, pp. 192-223). "As war between states exits through one side of history's revolving door, low-intensity conflict among different organizations will enter through the other... Much as cancer destroys the body by passing from one infected organ to the next, so of all the forms of war low-intensity conflict is the most contagious"(van Crefeld, p. 224). In 2002, also in strategic mode, Philip Bobbitt wrote that "[a]gainst these [insurgent] threats, the nation state is too muscle-bound and too much observed to be of much use. The mobilization of the industrial capacity of a nation is irrelevant to such threats; fielding of vast tank armies and fleets of airplanes is as clumsy as a bear trying to fend off bees"(Philip Bobbit, *The Shield of Achilles: War, Peace and the Course of History* (New York, Alfred A. Knopf 2002, p. 219). David Kilcullen recently wrote of the metamorphosis of modern insurgency into a global threat, complicating the already-daunting work of counterinsurgency (David Kilcullen "Counter-insurgency *Redux*," *Survival*, Volume 48 number 4 winter 2006-07 pp. 111-130). Also see, for numerous examples of changing views on insurgency inspired by battlefield perspectives, *Military Review: Special Edition, Counterinsurgency Reader*, October 2006, U.S Army Combined Arms Center, Fort Leavenworth, Kansas.
17. For a revealing chronology of the gradually increasing danger of Muslim extremist insurgent terrorism, see Timothy Naftali *Blind Spot: the Secret History of American Counterterrorism* (New York, Basic Books 2005).

18. Here Osama bin Laden's various messages are informative. Bin Laden's November 24th, 2002 "Letter to America" more than adequately makes this point. For a suitable translation, see Paul L. Williams *Osama's Revenge* (Prometheus Books, Amherst, NY 2004) pp. 9-19. For more al Qaida messages, see Sherifa Zuhur *A Hundred Osamas: Islamic Threats and the Future of Counterinsurgency*, 2005 SSI/AWC Monograph. p. 25-28.
19. See, for example, the argument of John Cooley *Unholy Wars* (London, Pluto Press 3rd ed 2002).
20. Private conversation with the author.
21. We were not the first outsiders to attempt to foment radical Muslim militancy for our own ends. In WWI Germany engaged in a strategy of promoting *jihad* among its allies: See Fromkin, pp 109-102. Huntington, in his recipe for continued Western vitality, warns against "intervention in the affairs of other civilizations ... probably the single most dangerous source of instability and potential global conflict in the multicivilizational world." p. 312.
22. Cooley, pp. 101-104; Williams, pp. 53-55.
23. From pastor John Winthrop's famous 1630 sermon, in which he stressed the importance of leading by good example.
24. U.S. Vice President Dick Cheney, "Meet the Press" interview with Tim Russert, Camp David Maryland, September 16, 2001.
25. The schism with Iran emanating from our 1953 overthrow of the democrat Mossadegh, under the thinnest of pretexts, is but one other case in point. While most Americans remain ignorant of this episode, Iranians view it as a pivotal event in Iran's relationship with the U.S. See Stephen Kinzer *Overthrow* (New York, Henry Holt and Co. 2006) pp. 117-128. See also, J. William Fulbright *The Price of Empire* (New York, Pantheon Books 1989) p. 170. In general, Fulbright argues that covert operations against other governments have produced more harm than good.
26. Richard Haas, "Meet the Press" interview with Tim Russert, Washington DC, December 10, 2006.
27. In his classic work on counterinsurgency, David Galula wrote eloquently of the power of the insurgent's cause. For Muslims, the perception of western political structures as illegitimate, of many regional rulers as corrupt, of the injustice of relatively poor development and prospects, and of humiliation at the hands of Israel and the U.S., is adequate to produce a sufficient number of recruits to sustain an insurgency for the foreseeable future. In seeking a counter-cause, there is little the U.S. can do militarily to offset these perceptions. Indeed, there is little we can do immediately to alter Muslim bias through use of any of the instruments of national power. Galula argues that, in the absence of a counter-cause, one way to win over the population is to offer more stability and security. This speaks for more troops in Iraq and offers some hope for defeating the local insurgency. However, globally the extremist Muslim cause will continue to broadly resonate as a result of the perceptions noted until they are addressed or replaced. Moreover, improvement of local security will be difficult when support for the insurgency is drawn from abroad. David Galula, *Counterinsurgency Warfare: Theory and Practice* (New York/London, Frederick Praeger, 1964,) pp. 13-14.
28. See for example the introduction to *The Al-Qaeda Training Manual*, Jerrold Post, Editor, USAF Counterproliferation Center, Maxwell Air Force Base, Alabama, August 2004.
29. Kurt Vonnegut *A Man Without a Country* (New York, Seven Stories Press, 2005), p. 82.
30. Milton Friedman, "Economic Freedom, Human Freedom, Political Freedom," The Smith Center lecture delivered November 1, 1991, <http://www.cbe.csueastbay.edu/~frlect.html>, accessed 12/6/2006.
31. For an overview of U.S. covert operations to weaken Allende, including efforts to undercut the economy, see Kinzer, pp. 170-194.
32. Robert Heilbroner and Lester Thurow *Economics Explained* (New York, Touchstone 1998) p. 24.
33. Milton Friedman *Capitalism and Freedom* (Chicago, University of Chicago Press, 1962) p. 8.
34. Alexis de Tocqueville *Democracy in America*, Volume 2 (New York, Random House/Vintage Books Edition, 1990) p. 327.
35. Personal observation. See also John F. Burns, "U.S. General Says Jobs and Services May Curb Iraq Violence," New York Times, December 13, 2006, p. 20.

36. The figures and data presented here are based on personal records accumulated during the author's work with CPA's Office of Policy, Planning and Analysis in early 2004.
37. This characterization was reported to the author by high-level CPA officials working in the area of economics and finance.
38. Referred to in the 2004 National Military Strategy as "Full Spectrum Dominance," see pp. 20-21. In *Hegemony or Survival*, widely read since Venezuelan President Huga Chavez called attention to it in his UN General Assembly speech in the fall of 2006, Noam Chomsky makes a sport of attacking the 2002 National Security Strategy upon which the 2004 NMS is based.
39. 2006 National Security Strategy, introduction.
40. 2004 National Military Strategy, p. 1.
41. Walden Bellow *Dilemmas of Domination: The Unmaking of the American Empire* (New York Metropolitan Books/Henry Holt and Company, 2005) pp.102-104.
42. Ibid, p. 212.
43. Clausewitz, p. 97.
44. See, as only one of many examples, Cooper pp. 155-159.
45. See Michael Ignatieff *Virtual War: Kosovo and Beyond* (New York, Metropolitan Books/Henry Holt and Company 2000) p. 192, and Cooper, p. 163.
46. On another inherent danger, see Ignatieff, pp. 176-184, for a compelling argument on how modern weaponry invites imprudent policy by simplifying war and insulating leaders and the public from its effects.
47. The bombing of the UN compound notwithstanding, the question of legitimacy and lack of permissive environment in Iraq have largely held at bay the broad array of NGOs, IGOs and national assistance agencies that typically flow to post-conflict environments, creating a gap in stabilization and reconstruction efforts that we have been unable to span with primarily U.S. national assets.
48. This point is fully elucidated in Robert Kagan's *Of Paradise and Power: America and Europe in the New World Order* (New York, Alfred A. Knopf 2003). Cooper makes a similar and derivative argument in the concluding chapter of *The Breaking of Nations*.
49. 2006 National Security Strategy, p. 27.
50. The 2006 National Security Strategy places economic issues as chapter VI in its list of priorities.
51. Huntington, pp. 207-208 and pp. 281-291.
52. Mancur Olson *Power and Prosperity: Outgrowing Communist and Capitalist Dictatorships* (New York, Basic Books 2000) pp.195-199.